REMARKS

In the Non-final Office Action (the "Office Action") mailed on October 12, 2006, claims 1-22 were pending and stand rejected. With this response, claims 2-10 and 12-21 are amended to add punctuation for clarification purposes only. The amendments do not alter the scope of the claims and are not made for purposes of patentability. Applicants respectfully request reconsideration of the rejections in view of the remarks presented below.

Claims 1-3, 9 and 10 Are Allowable over Walker

Applicants traverse the rejection of claims 1-3, 9 and 10 under 35 U.S.C. §102(b) over Walker, at page 3, paragraph 3 of the Office Action. Independent claim 1 recites a method that includes "providing multiple options for the payment card holder to decline authorization of the attempted transaction." The Office Action asserts that Walker discloses this feature at col. 10, lines 19-54. Applicants disagree.

Walker discloses that a user may press 1 to authorize the transaction, press 2 to decline the transaction, and press 3 to talk with the person using the card. *See Walker*, col. 10, lines 8-10. In this example, Walker provides only one option to decline authorization of the attempted transaction. In a later example, Walker discloses that if the number "1" or "2" are depressed on the keypad, then the account holder "does not desire to communicate with the user." *See Walker*, col. 10, lines 19-24. However, option "2" is the only option to decline the transaction. Option 1 is an authorization. *See Walker*, col. 10, lines 8-10. If the number "3" is selected, then the account holder does want to communicate with the user. *See Walker*, col. 10, lines 25-28. The system of Walker allows the cardholder to communicate with the user before authorizing or declining the transaction. *See Walker*, col. 10, lines 42-44. Walker discloses "based on the communication, the account holder can authorize or decline the transaction using the telephone" by pressing a "1" or a "2" on the telephone keypad. *See Walker*, col. 10, lines 55-58. Thus, Walker discloses only one option to decline the transaction (i.e. option 2). Thus, Walker fails to disclose or suggest "providing multiple options for the payment card holder to decline authorization of the attempted transaction," as recited in claim 1. Thus, Walker does not disclose or suggest at least one element of claim 1, or of claims 2-3 and 9-10, at least by virtue of their dependency from claim 1.

Further, dependent claims 2-3 and 9-10 disclose other features that are not disclosed by Walker. For example, claim 2 recites the method of claim 1, where the multiple options include "a first option for the payment card holder to decline authorization of an undesirable but non-fraudulent transaction, and a second option for the payment card holder to decline authorization of a fraudulent transaction." As discussed above, Walker discloses only one option to decline a transaction. Moreover, while Walker discloses declining a transaction in a parental/child relationship where the parent authorized use of the card in emergency circumstances only and where the transaction is not an emergency (*See Walker*, col. 10, lines 45-54), Walker does not disclose a second option to decline authorization of a fraudulent transaction. Thus, Walker does not disclose or suggest a "a first option for the payment card holder to decline authorization of an undesirable but non-fraudulent transaction, and a second option for the payment card holder to decline authorization of a fraudulent transaction," as recited in claim 2.

With respect to claim 3, Walker does not disclose or suggest, "based on the selection, providing a message to a merchant involved in the attempted transaction to decline the attempted transaction and to return the payment card to an individual attempting the transaction," as recited in claim 3. Walker discloses declining the transaction, but makes no mention of providing any additional message to the merchant. Accordingly, Walker fails to disclose or suggest at least one element of claim 3.

For at least the foregoing reasons, claims 1-3, 9 and 10 are allowable over Walker. The rejection of claims 1-3, 9 and 10 over Walker should be withdrawn.

Claims 11-13, 19 and 20 Are Allowable over Walker

Applicants traverse the rejection of claims 11-13, 19 and 20 under 35 U.S.C. §102(b) over Walker, at page 3, paragraph 3 of the Office Action. Independent claim 11 recites a system that includes "a payment card transaction notification and authorization system to provide a notification message to a payment card holder of an attempted transaction using a payment card, and to provide multiple options for the payment card holder to decline authorization of the attempted transaction." As discussed above with respect to claim 1, Walker discloses only one option to decline a transaction (i.e. option 2). *See Walker*, col. 10, lines 6-10, 19-27, and 55-57. Therefore, Walker fails to disclose or suggest a payment card transaction notification and authorization system "to provide multiple options for the payment card holder to decline authorization of the attempted transaction," as recited in claim 11. Therefore, Walker does not disclose or suggest every element of independent claim 11, or of claims 12, 13, 19 and 20, at least by virtue of their dependency from allowable independent claim 11.

Additionally, the dependent claims 12 and 13 recite other features that are not disclosed or suggested by Walker. For example, claim 12 states that the multiple options include "a first option for the payment card holder to decline authorization of an undesirable but non-fraudulent transaction, and a second option for the payment card holder to decline authorization of a fraudulent transaction." As discussed above with respect to claim 2, Walker fails to disclose "a second option for the payment card holder to decline authorization of a fraudulent transaction," as recited in claim 12. Further, with respect to claim 13, Walker does not disclose or suggest, "based on the selection, to provide a message to a merchant involved in the attempted transaction

to decline the attempted transaction and to return the payment card to an individual attempting the transaction," as recited in claim 13. Walker discloses declining the transaction, but makes no mention of providing any additional message to the merchant. Accordingly, Walker fails to disclose or suggest at least one element of dependent claim 13.

For at least the foregoing reasons, claims 11-13, 19 and 20 are allowable over Walker, and the rejection of claims 11-13, 19 and 20 over Walker should be withdrawn.

Claims 4 and 14 Are Allowable over Walker in View of Slater

Applicants traverse the rejection of claims 4 and 14 under 35 U.S.C. §103(a) over Walker in view of U.S. Patent No. 4,114,027 (Slater), at page 4, paragraph 6, of the Office Action. As discussed above, Walker fails to disclose or suggest providing "multiple options for the payment card holder to decline authorization of the attempted transaction," as recited in claims 1 and 11, from which claims 4 and 14 depend. Slater fails to overcome the deficiencies of Walker.

In particular, Slater discloses an automated banking system. *See Slater*, Abstract. Slater discloses a central processing unit (CPU) that automatically calculates a line security code and that "instructs the remote unit" to perform a security operation, such as closing out the customer and capturing or returning the customer's card, processing the customer's transactions off-line, or receiving a security number to compare to a customer's pin number. *See Slater*, col. 12, lines 50-63. However, Slater does not disclose or suggest "providing multiple options for the payment card holder to decline authorization of the attempted transaction," as recited in claim 1. The automatic banking system of Slater determines authorizations automatically, and does not offer "multiple options for the payment card holder to decline authorization," as recited in claim 1. Accordingly, Slater fails to overcome the deficiencies of Walker, and the asserted combination of Walker and Slater does not teach at least one element of claim 4, at least by virtue of its dependency from claim 1.

Further, claim 4 discloses additional features not disclosed by Slater or Walker. In particular, as discussed above, Walker discloses only one option to decline authorization of a transaction. Thus, Walker fails to disclose or suggest "receiving a selection made by the

payment card holder of the second option [for the payment card holder to decline authorization of a fraudulent transaction]," as recited in claim 4. Slater discloses an automatic banking system that determines transaction authorizations automatically. *See Slater*, col. 12, lines 22-64. Thus, Slater fails to disclose or suggest providing <u>any</u> option to the payment card holder to decline authorization. Thus, Walker and Slater do not disclose or suggest each and every element of claim 4.

Claim 11 recites a system including a payment card transaction notification and authorization system "to provide multiple options for the payment card holder to decline authorization of the attempted transaction." As previously discussed, Slater does not disclose or suggest providing "multiple options for the payment card holder to decline authorization of the attempted transaction," as recited in claim 11. The automatic banking system of Slater determines authorizations automatically, and does not offer "multiple options for the payment card holder to decline authorization," as recited in claim 11. Accordingly, Slater fails to overcome the deficiencies of Walker, and the asserted combination of Walker and Slater does not teach at least one element of claim 14, at least by virtue of its dependency from claim 11.

Further, claim 14 discloses features that are not disclosed or suggested by the combination of Walker and Slater. Claim 14 recites that the payment card transaction notification and authorization system "is further to receive a selection made by the payment card holder of the second option [for the payment card holder to decline authorization of a fraudulent transaction], and based on the selection, to provide a message to a merchant involved in the attempted transaction to decline the attempted transaction and to withhold the payment card from an individual attempting the transaction." As previously discussed, Walker provides only one option to decline a transaction, so Walker fails to disclose a second option, as recited in claim 14. Slater discloses an automatic banking system that determines transaction authorizations automatically. *See Slater*, col. 12, lines 22-64. Slater fails to disclose or suggest providing <u>any</u> option to the payment card holder to decline authorization. Thus, Walker and Slater do not disclose or suggest every element of claim 14.

At least for the foregoing reasons, the asserted combination of Walker and Slater fails to disclose or suggest every element of claims 4 and 14, and the rejection of claims 4 and 14 over Walker and Slater should be withdrawn.

Claims 5, 15, and 22 Are Allowable over Walker and Gopinathan

Applicants traverse the rejection of claim 5, 15, and 22 under 35 U.S.C. §103(a) over Walker in view of U.S. Patent No. 5,819,226 ("Gopinathan"), at page 5, paragraph 7, of the Office Action. As discussed above, Walker fails to disclose or suggest providing "multiple options for the payment card holder to decline authorization of the attempted transaction," as recited in claims 1 and 11, from which claims 5 and 15 depend. Gopinathan fails to overcome the deficiencies of Walker.

The Office Action acknowledges that Walker does not disclose locking an account. Gopinathan discloses an "automated system to detect fraudulent transactions automatically using a predictive model such as a neural network to evaluate individual customer accounts and identify potentially fraudulent transactions based on learned relationships among known variables." *See Gopinathan*, Abstract. Gopinathan discloses that "[s]ystem monitor 201 shows a cutoff score 202 above which accounts will be flagged, the number of accounts with scores above the cutoff 203, and the fraud score 204 and account number 205 for a particular account." *See Gopinathan*, col. 4, lines 3-7. Gopinathan makes no mention of providing "multiple options for the payment card holder to decline authorization of the attempted transaction," as recited in claims 1 and 11. Therefore, Gopinathan fails to overcome the deficiencies of Walker, and the combination of Gopinathan and Walker fails to disclose or suggest every element of claims 5 and 15, at least by virtue of their dependency from claims 1 and 11.

Additionally, claims 5 and 15 disclose features that are not taught by Walker and Gopinathan. For example, claim 5 recites "receiving a selection made by the payment card holder of the second option [to decline authorization of a fraudulent transaction], and based on the selection, locking an account associated with the payment card." As discussed above, Walker discloses only one option for declining a transaction, and does not disclose locking an account. Gopinathan attempts to automatically predict fraudulent activity, and a decision to lock

an account is based on a predictive model. *See Gopinathan*, Abstract. Gopinathan provides no option for a user selection and makes no mention of locking an account based on the selection. Thus, the combination of Walker and Gopinathan fails to disclose or suggest "receiving a selection made by the payment card holder of the second option, and based on the selection, locking an account associated with the payment card," as recited in claim 5.

With respect to claim 15, Walker and Gopinathan fail to disclose or suggest a system including a payment card transaction notification and authorization system "to receive a selection made by the payment card holder of the second option [to decline authorization of a fraudulent transaction], and based on the selection, to lock an account associated with the payment card," as recited in claim 15.

For at least the foregoing reasons, the asserted combination of Walker and Gopinathan fails to disclose or suggest every element of claims 5 and 15, and the rejections of claims 5 and 15 over Walker and Gopinathan should be withdrawn.

Turning to claim 22, claim 22 recites a method including "providing multiple options for the payment card holder to decline authorization of the attempted transaction, the multiple options comprising a first option for the payment card holder to decline authorization of an undesirable but non-fraudulent transaction, and a second option for the payment card holder to decline authorization of a fraudulent transaction." As discussed above, Walker discloses only one option to decline a transaction. Gopinathan discloses an automated system to detect fraudulent activity using predictive modeling. *See Gopinathan*, Abstract. Gopinathan provides no options for a payment card holder to decline a transaction. Thus, Walker and Gopinathan fail to disclose every element of independent claim 22.

Additionally, claim 22 recites "receiving a selection of one of the options made by the payment card holder" and "if the selection is of the second option, locking an account associated with the payment card and providing a message to the merchant involved in the attempted transaction to decline the attempted transaction and to withhold the payment card from the individual attempting the transaction." As discussed above, Walker and Gopinathan fail to disclose locking an account based on a selection of a second option to decline a transaction.

Further, Walker and Gopinathan do not disclose or suggest withholding "the payment card from the individual attempting the transaction" based on a selection by the payment card holder. Thus, the asserted combination of Walker and Gopinathan does not disclose or suggest every element of claim 22. Thus, claim 22 is allowable over the cited references.

Claims 6, 7, 16, and 17 Are Allowable Over Walker and Cheechio

Applicants traverse the rejection of claim 6, 7, 16 and 17 under 35 U.S.C. §103(a) over Walker in view of U.S. Patent No. 6,052,675 ("Cheechio"), at page 5, paragraph 8, of the Office Action. As discussed above, Walker discloses only one option to decline a transaction (i.e. option 2). Walker fails to disclose or suggest providing "multiple options for the payment card holder to decline authorization of the attempted transaction," as recited in claims 1 and 11, from which claims 6, 7, 16, and 17 depend. Cheechio fails to overcome the deficiencies of Walker.

In particular, Cheechio discloses a "method and apparatus for pre-authorizing transactions" that includes providing "a distinguishing piece of information that characterizes a specific transaction to be made by an authorized user of the credit card at a later time." *See Cheechio*, Abstract. Further, Cheechio discloses that the distinguishing piece of information can be used to authorize that specific transaction. *See Cheechio*, Abstract. Cheechio discloses that the distinguishing piece of information can operate as a personal identification code (PIC) to prevent unauthorized transactions if the card is lost or stolen "because all sales using the credit card must be pre-authorized using the confidential PIC." *See Cheechio*, Abstract. In Cheechio, the system declines the authorization of the confidential PIC is not provided by the card user. Cheechio does not disclose or suggest providing "multiple options for the payment card holder to decline authorization of the attempted transaction," as recited in claims 1 and 11, from which claims 6, 7, 16, and 17 depend. Thus, the combination of Walker and Cheechio does not disclose or suggest each and every element of claims 6, 7, 16, and 17, at least by virtue of their dependency from one of claims 1 and 11.

The Office Action acknowledges that Walker fails to disclose "receiving a selection made by the payment card holder of the second option [to decline authorization of a fraudulent transaction], and based on the selection, automatically reporting the fraudulent transaction to a

law enforcement authority," as recited in claim 6. The Office Action asserts that Cheechio discloses this feature at col. 1, lines 26-30. *See Office Action*, p. 6, paragraph 8. However, Cheechio states:

> Conventionally, a user is only subjected to a verification process to determine whether the user is authorized to use a credit card when the user is making a purchase at a vendor's location. According to the conventional process, a vendor should, but does not always, compare the customer signature to the signature on the back of the credit card to determine whether the customer is the authorized user of the credit card. If the signatures do not match, the vendor must refuse the credit card transaction and, presumably, call the police and the credit card company to inform them that the credit card may be stolen.

Cheechio, col. 1, lines 18-30.

Thus, Cheechio discloses that a vendor must call the police and the credit card company. *See Cheechio*, col. 1, lines 27-30. Cheechio does not disclose automatically reporting "the fraudulent transaction to a law enforcement authority," as recited in claim 6. Thus, Walker and Cheechio do not disclose or suggest each and every element of claim 6.

Claim 16 recites a system "to receive a selection made by the payment card holder of the second option [to decline authorization of a fraudulent transaction], and based on the selection, to automatically report the fraudulent transaction to a law enforcement authority." As discussed above, Cheechio fails to disclose a system "to automatically report the fraudulent transaction to a law enforcement authority," as recited in claim 16.

With respect to claim 7 and 17, Walker fails to disclose or suggest "receiving a selection made by the payment card holder of the second option [to decline authorization of a fraudulent transaction], and based on the selection, automatically reporting the fraudulent transaction to a credit reporting agency," as recited in claim 7. Walker also fails to disclose or suggest a system "to receive a selection made by the payment card holder of the second option [to decline authorization of a fraudulent transaction], and based on the selection, to automatically report the fraudulent transaction to a credit reporting agency," as recited in claim 17. Cheechio discloses that the vendor must call the police and the credit card company. *See Cheechio*, col. 1, lines 27-30. Cheechio does not disclose automatically reporting "the fraudulent transaction to a credit

reporting agency," as recited in claims 7 and 17. Therefore, the combination of Walker and Cheechio does not disclose or suggest each and every element of claims 7 and 17.

Additionally, the asserted references of Walker and Cheechio are technically inconsistent with and teach away from one another; therefore, there is no motivation to modify Walker to include the teachings of Cheechio. In particular, Walker discloses a system that allows a card holder to authorize or decline a transaction at the time of the attempted transaction. *See Walker*, col. 10, lines 4-18 and 55-57. In contrast, Cheechio allows a card holder to "pre-authorize" a specific transaction by storing a distinguishing piece of information (such as a personal identification code) with a network for later use by an authorized user of the credit card. *See Cheechio*, Abstract. The pre-authorized transaction of Cheechio is technically inconsistent with the real-time transaction authorization system of Walker. Thus, there is no motivation to make the asserted combination, other than that provided in the present application. Therefore, the asserted combination is an impermissible hindsight reconstruction based on the present application, and the rejection of claims 6, 7, 16 and 17 should be withdrawn.

At least for the foregoing reasons, claims 6, 7, 16 and 17 are allowable over the cited references.

Claims 8 and 18 Are Allowable over Walker and Taylor

Applicants traverse the rejection of claims 8 and 18 under 35 U.S.C. §103(a) over Walker in view of U.S. Patent Publication No. 2003/0182214 ("Taylor"), at page 6, paragraph 9, of the Office Action. The Office Action acknowledges that Walker does not disclose "receiving a selection made by the payment card holder of one of the multiple options to decline the attempted transaction, and sending a reason code to a merchant involved in the attempted transaction to indicate why the attempted transaction has been declined," as recited in claim 8. Claim 18 recites a system "to receive a selection made by the payment card holder of one of the multiple options to decline the attempted transaction, and to send a reason code to a merchant involved in the attempted transaction to indicate why the attempted transaction has been declined." Taylor fails to overcome the deficiencies of Walker.

As previously discussed, Walker discloses only one option to decline a transaction (i.e. option 2). Taylor discloses a fraud detection system to collect and track "the frequency of particular aspects of the subject's behavior" and to flag "deviations from such norms for the purpose of indicating the fraudulent or criminal behavior may be occurring." *See Taylor*, Abstract. Taylor does not disclose or suggest providing "multiple options for a payment card holder to decline authorization of the attempted transaction," as recited in independent claims 1 and 11, from which claims 8 and 18 depend. Thus, Taylor fails to overcome the deficiencies of Walker, and the combination of Walker and Taylor does not disclose every element of claims 8 and 18, at least by virtue of their dependency from claims 1 and 11.

Further, claims 8 and 18 disclose features that are not taught by the cited references. For example, neither Walker nor Taylor disclose a method that includes "receiving a selection made by the payment card holder of one of the multiple options to decline the attempted transaction, and sending a reason code to a merchant involved in the attempted transaction to indicate why the attempted transaction has been declined," as recited in claim 8. Additionally, Walker and Taylor do not disclose or suggest a system "to receive a selection made by the payment card holder of one of the multiple options to decline the attempted transaction, and to send a reason code to a merchant involved in the attempted transaction to indicate why the attempted transaction has been declined," as recited in claim 18. Neither Walker nor Taylor disclose "multiple options to decline the attempted transaction," since Walker discloses only one option to decline a transaction, and Taylor does not disclose providing any options to a payment card holder to decline a transaction. Thus, the combination of Walker and Taylor fails to disclose or suggest every element of claims 8 and 18.

For at least the foregoing reasons, claims 8 and 18 are allowable over the cited references, and the rejection of claims 8 and 18 should be withdrawn.

Claim 21 is Allowable over Walker and Tubinis

Applicants traverse the rejection of claim 21 under 35 U.S.C. §103(a) over Walker in view of U.S. Patent Publication No. 2003/0014367 ("Tubinis"), at page 7, paragraph 10, of the Office Action. The Office Action acknowledges that Walker does not disclose a payment card transaction notification and authorization system "to increase a purchase limit threshold for the

payment card based on a short message service (SMS) message received from the payment card holder," as recited in claim 21. The Office Action asserts that Tubinis discloses this feature.

Tubinis discloses that real-time pre-paid charges may be applied to a multi-media service being provided to a subscriber of a communications network. *See Tubinis*, Abstract. Tubinis discloses that the subscriber may be notified that the pre-paid amount of service has been used up via a short message service (SMS) message. *See Tubinis*, Abstract. Tubinis discloses that the system may allow the subscriber to "top up" (extend) the service and may apply a different billing method (e.g., postpaid charging) for service until the subscriber increases the pre-paid amount or until a period to "top up" has elapsed. *See Tubinis*, Abstract. Tubinis discloses that the extension of service limits may be performed via "a dialogue box" that may "pop-up" on the subscriber's screen to prompt the subscriber for input from a keyboard, stylus, mouse or other input device to "top-up" or add value to the prepaid account. *See Tubinis*, paragraph [0261]. In Tubinis, the subscriber may be notified via SMS or via a pop up, but Tubinis does not disclose or suggest increasing "a purchase limit threshold for the payment card base don a short message service (SMS) message received from the payment card holder," as recited in claim 21. Accordingly, the combination of Walker and Tubinis does not disclose every element of claim 21.

Further, the combination of Walker and Tubinis fails to disclose or suggest a system "to provide multiple options to decline authorization of an attempted transaction," as recited in claim 11, from which claim 21, depends. Therefore, Walker and Tubinis fail to disclose or suggest another element of claim 21, at least by virtue of its dependency from claim 11.

For at least the foregoing reasons, claim 21 is allowable over the cited references. The rejection of claim 21 over Walker and Tubinis should be withdrawn.

CONCLUSION

For at least the foregoing reasons, the pending claims are allowable over the cited references. Accordingly, Applicants respectfully request reconsideration and withdrawal of each of the rejections, as well as an indication of the allowability of each of the pending claims.
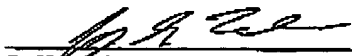
Any changes to the claims in this amendment, which have not been specifically noted to overcome a rejection based upon the prior art, should be considered to have been made for a purpose unrelated to patentability, and no estoppel should be deemed to attach thereto.

The Examiner is invited to contact the undersigned attorney at the telephone number listed below if such a call would in any way facilitate allowance of this application.

The Commissioner is hereby authorized to charge any fees, which may be required, or credit any overpayment, to Deposit Account Number 50-2469.

Respectfully submitted,

_11-20-2006_
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